

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

September 6, 2016
MAG Offices, Saguaro Room
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor W.J. "Jim" Lane, Scottsdale, Chair
Mayor Greg Stanton, Phoenix, Vice Chair
#Mayor Gail Barney, Queen Creek
Steve Betts, GPEC
#Tony Bradley, Arizona Trucking Association
#Mayor Cathy Carlat, Peoria
Dr. Joseph Cavinato, Thunderbird
Councilmember Eddie Cook, Gilbert
Angela Creedon, Arizona State University
Superintendent Greg Donovan, West-MEC
*Mark Dreher, East Valley Partnership
Councilmember Michael Farrar, Carefree
#Neil Giuliano, Greater Phoenix Leadership
Sintra Hoffman, WESTMARC
Mayor Linda Kavanagh, Fountain Hills
Councilmember Randy Keating, Tempe
Jim Kenny, El Dorado Holdings, Inc.
*Dr. Randy Kimmens, Maricopa Community

Colleges
Supervisor Kunasek, Maricopa County
#Mayor Michael LeVault
#Mayor Georgia Lord, Goodyear
Councilmember David Luna, Mesa
#Mayor Jackie Meck, Buckeye
Mayor Christian Price, Maricopa
Floyd Roehrich Jr., ADOT
*Jim Rounds, Rounds Consulting Group
*Todd Sanders, Greater Phoenix Chamber
of Commerce
#Mayor Thomas L. Schoaf, Litchfield Park
Vice Mayor Jack Sellers, Chandler
Councilmember Lorenzo Sierra, Avondale
#Dan Spitz, Achen-Gardner Construction
#Sandra Watson, ACA
Mayor Jerry Weiers, Glendale
*Mayor Sharon Wolcott, Surprise

* Not present

Participated by video or telephone conference call

OTHERS PRESENT (from sign-in sheet(s)):

Anubhav Bagley, MAG
Len Becker, Buckeye
Melissa Bettis, MAG
Leonardo Ciscomani, State of Sonora
Natalia Cuneo, MAG
Tom Doyle, El Mirage
Jeff Fairman, Avondale
Enrique Franco, Sonora's Representative in
Arizona
Leila Gamiz, MAG

Marco S. Garay, AMC
Eduardo Gonzalez, ProMexico
Walter Gray, West Side Town Hall
Rene Guillen, Gilbert
Kathya Hidalgo, City of Phoenix
Milt Laflen, Sister Cities
Alana Langdon, MAG
Brad Lundahl, Scottsdale
Hank Marshall, Phoenix
Yamilett Martinez, Sonoran Arizona

Commission
Emily Mead, GPEC
Denise McClafferty, MAG
Jessi Pederson, Glendale
Michelle Pierson, Phoenix
Scott Powell, Tempe
Nathan Pryor, MAG
Miguel Quiros, Sonora, Mexico
Marissa Ramirez-Ramos, Mesa

Shannon Reed, MAG
Dennis Smith, MAG
Amy St. Peter, MAG
Harold Stewart, City of Maricopa
Kelly Taft, MAG
Jorge Vidal, State of Sonora
David Worley, MAG
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Lane at 11:30 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Mayor Barney, Mayor Carlat, Mayor LeVault, Mayor Lord, Mayor Meck, Mayor Schoaf, Tony Bradley, Neil Guiliano, Dan Spitz, and Sandra Watson joined the meeting by teleconference.

Chair Lane announced that the MAG Regional Council approved two new elected officials to be members of the EDC. He welcomed to the Committee, Councilmember Eddie Cook from the Town of Gilbert and Councilmember Randy Keating from the City of Tempe. Chair Lane also recognized and welcomed the delegation from Sonora, Mexico, including Secretary of the Economy, Jorge Vidal.

Chair Lane stated public comment cards were available for those members of the public who wish to comment. He added parking validation was available for the MAG parking facilities for those who parked in the garage.

3. Call to the Audience

Chair Lane noted the Call to the Audience provides an opportunity to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Lane recognized Phoenix resident Walt Gray for public comment. Mr. Gray said he was with the West Side Town Hall Program, an organization located in the West side of Phoenix. He asked the EDC to make a formal request to initiate action asking the federal government to change the way public hearings are held. Mr. Gray said 40 years ago, the federal government changed the way public hearings were conducted. He stated that when hearings are held now, private testimony is not made public until it becomes a part of a large report. Mr. Gray said he remembers when he was at the Arizona Department of Transportation (ADOT) and there would be 500 people at a hearing. He stated testimony regarding the Outer Loop changed the plans for the road. Mr. Gray said in the interest of democracy, Arizona should have large venues for public meetings and allow public testimony so members of the public have the opportunity to voice their opinion on a project. He noted he would follow up his testimony with a formal letter to Mayor Lane and hopes the EDC moves forward on this request.

4. Approval of the August 9, 2016, Economic Development Committee Meeting Minutes

Chair Lane asked members of the committee if they had any questions or comments regarding the August 9, 2016, meeting minutes. There were none. Steve Betts moved to approve the August 9, 2016, Economic Development Committee meeting minutes. Vice Mayor Sellers seconded the motion and the motion carried unanimously.

7. Music and Entertainment as an Economic Development Accelerator

Chair Lane stated that agenda item 7 would be heard out of order due to time differences between London and Phoenix. He welcomed Shain Shapiro, Founding Director of Sound Diplomacy, based in London, England by teleconference. Mr. Shapiro said his company works with governments and property developers around the world to develop music strategies.

Mr. Shapiro said Sound Diplomacy works with cities and towns to explain how a music strategy can contribute to the economy through venues, studios and rehearsal space. He stated regardless of the size of the city or town, when you have a thriving music community and ecosystem, your population is happier, wealthier and healthier. Mr. Shapiro said the company has proven that through strategies it has implemented in the United Kingdom and Australia.

Mr. Shapiro said he is currently developing a music strategy for the Mayor of London, and one activity he is working on is called the Mayor of the Night, with the objective of bringing economic value and pragmatic, forward thinking policy towards the nighttime economy. He stated Sound Diplomacy works with cities to get them to think about how music is providing economic value toward a number of different things, including how you animate the public realm and increase nighttime safety. Mr. Shapiro explained this involves public transit

policy in terms of getting people to and from places safely, among other things.

Mr. Shapiro encouraged every city and town to do asset mapping to map music and cultural assets and create a cultural infrastructure plan to understand how much cultural infrastructure the city or town will need in the next two, five or ten years. He said he believes everyone knows there is cultural value in music, but may not know about the economic benefits.

Mr. Shapiro stated that if you invest in a music ecosystem, it brings a net benefit for the community by making places safer, more cohesive and more interesting. He said music strategy should be another strategy considered alongside education and transport strategies, etc. Mr. Shapiro explained that Sound Diplomacy advocates that every city should have a policy manager to manage the music ecosystem and focus on creative and cultural development. He noted the company also works on music tourism strategies and master planning to ensure that businesses can exist in harmony with each other.

Chair Lane asked about the company name and if the company advocates for a particular genre of music. Mr. Shapiro said genre and age groups do not matter, as all types of music enrich communities and make them better. Chair Lane asked about music as an economic driver and if the happiness of people and having them feel better about their community translates to an economic driver. Mr. Shapiro said it did. He said grassroots music venues are innovation hubs and can lead to growth in other sectors, including logistics, transport, lighting, staging and others.

Steve Betts said he recalled that during the first year of the EDC, MAG worked with GPEC to put together a website to assist companies looking at coming to Arizona by providing a list of resources to help them. He stated he thought cultural resources and music venues were included. Mr. Smith said the website, greaterphoenixrising.com, does not specifically refer to music strategy. He stated there is information about cultural attractions and MAG can take another look at adding music venues as a component.

Mr. Smith said when he first saw Mr. Shapiro's presentation on TED Talks it focused on economic development, the importance a city gives music, and it encouraged cities to develop a music strategy. He stated as a resident of Tempe, he knows how important music is in that city, but was not aware if Tempe has a music strategy.

Mr. Betts stated cultural resources are a driver to company relocations and expansions. Chair Lane thanked Mr. Shapiro for his presentation.

5. Report on the Ari-Son Data Development Trade Mission to Hermosillo, Sonora

Chair Lane welcomed MAG International Economic Development Analyst Alana Langdon and MAG Information Services Manager Anubhav Bagley to the meeting to discuss their recent Ari-Son Data Development Trade Mission to Hermosillo, Sonora.

Ms. Langdon said she would give the committee an update on two initiatives pertaining to the Ari-Son initiative. She described the Ari-Son initiative as locally and regionally driven to connect communities in Arizona with their neighbors in Sonora, Mexico. Ms. Langdon stated that she and Mr. Bagley were invited to Hermosillo, Mexico for meetings along with officials from the City of Tucson and Pima County. She said the main purpose of the trade mission was to present on MAG's online data viewer tools. Ms. Langdon pointed out that the viewers had been previously presented to the committee.

Ms. Langdon said the team presented to several different representatives of the economic development and business community on the types of technology and data tools that MAG uses in the region to help its communities with economic development, and help to forge new ways of looking at data across several different areas that impact our economy. She noted that MAG's data tools brochure is now available in Spanish.

Ms. Langdon said the group from Arizona also learned about different initiatives happening at the state level in Sonora and the city level in Hermosillo. She stated just the day before the team's visit, Hermosilla had unveiled a new online data platform to connect businesses to local opportunities. Ms. Langdon said the team was also there to share more about what MAG, the City of Tucson and Pima County are doing to bring more economic opportunities between Arizona and Sonora.

Ms. Langdon said that the team learned about INEGI, Mexico's equivalent of the Census Bureau and how that agency uses its data. She stated that the team learned potential ways for how Arizona and Mexico can work together from a socioeconomic standpoint. Ms. Langdon said a lot of ideas were discussed on how agencies could work together to potentially build out a binational viewer, and added that this potential project was very well received from the Sonora group. She added the team wants to look at data across the binational region, beginning with socioeconomic data, so that we might be able to work with Mexico in order to attract more global business to the Ari-Son Megaregion.

Mr. Bagley said there were a number of productive meetings in Hermosillo. He stated attendees included representatives from economic development at the city and state levels, as well as a number of businesses. Mr. Bagley said there was a lot of interest in looking at data that can help us cross boundaries and look at markets and supply chain on both sides of the border.

Ms. Langdon also presented an update on the events that happened at the League of Arizona Cities and Towns Conference that took place in August. She stated in a historic move, the League recognized the Ari-Son Megaregion Council as an official affiliate group. Ms. Langdon said from now on, the Ari-Son Megaregion Council will be able to attend the annual conference to talk about binational issues at the local level in collaboration with our state partners at the Arizona Mexico Commission and the Sonora Arizona Commission. She stated MAG has invited those two liaisons to sit at the table with mayors from Arizona and Sonora to provide an open channel of communication for this initiative.

Ms. Langdon noted there were more than 60 representatives from Sonora in attendance at the League Conference, which included representation from all 20 Sister Cities from Arizona and Sonora. She thanked Mayor Lane and Mayor Stanton for their participation in the Ari-Son League events.

Ms. Langdon said she was thankful to have the opportunity to bring Sister Cities, mayors, and economic development officials together to discuss several areas of opportunity for learning best practices between our cities on both sides of the border. She said officials discussed how to make our communities better in the areas of economic development and city management.

Ms. Langdon said the first action of the Megaregion Council was to approve a letter of support to extend the travel and shopping zone, which is a great opportunity for both sides of the border. Mr. Smith said he was involved in the League as an employee and as a member for many years and does not remember the League ever approving an affiliate group. He thanked the leadership at the League for welcoming Sonoran officials and recognizing that local government from both sides need to work together. Mr. Smith said a representative from the Alliance for Innovation, which is who all the city managers in the U.S. go to for best practices, was at the event. He noted our region has the resources to host cross cultural events, and this was a giant first step in local government relations with Mexico.

Councilmember Luna asked for an update on the Border Crossing Card (BCC) initiative. MAG Government Relations Manager Nathan Pryor provided information on the BCC to Committee members. He said that over the summer, two letters of support from the Arizona Congressional Delegation went out to Customs and Border Protection. Mr. Pryor stated the letters were bipartisan and requested a Rulemaking Process for the statewide extension of the BCC zone. He said there has been follow up with a number of associations in Arizona to get them to send letters of support to Customs and Border Protection, also requesting the Rulemaking Process to commence.

Mr. Smith said an email went out to regional organizations, Intertribal Council, and the Lodging Association asking them for letters of support. He stated he would provide a sample letter to the EDC that explains the benefits of the initiative, which includes an estimated \$181 million dollars a year into the state's economy.

Chair Lane returned to Ms. Langdon's presentation. He said discussion during the Sister Cities event centered around the things that could be facilitated on both sides of the border to enhance the relationships and economics of Arizona and Mexico.

Chair Lane stated one initiative the State of Sonora has been working on for the past six years is a measure to open a border crossing pass, similar to what we are proposing with the BCC in Arizona. He said the Mexican side still seems to have an interest in doing that. Chair Lane noted he was not sure whether that is something that was discussed between MAG and Sonora.

Mr. Betts wanted to follow up on Councilmember Luna's question. He said if he recalled correctly, we are missing the support of just a few members of the Delegation. Mr. Betts

wondered if it would be easier for us to get that support now that the primary election is over, and if we would be actively pursuing the support of the remaining members of the Delegation. Mr. Smith told the Committee that Steve Bloch, a consultant with Capitol Strategies, has had discussions with Senator Flake and others. He said he thinks as time passes, MAG will see additional support of this initiative from the Delegation.

With no additional questions, Chair Lane thanked Ms. Langdon and Mr. Bagley for their update.

6. Economic Update and Development of the Sonora, Mexico Region

Chair Lane welcomed Jorge Vidal, Sonora, Mexico's Secretary of the Economy. Secretary Vidal said Arizona and Sonora have the ability to work together to jointly achieve positive economic development results on both sides of the border. He stated it is his perception that although the global economic outlook is not as optimistic as he would like it to be, there is a great opportunity to see growth and development in the megaregion.

Secretary Vidal said the outlook of Sonora and Arizona seems to be for modest but significant growth. He said the economic development expectation in Sonora is positive with the establishment of new and strategic companies like Caterpillar and others.

Secretary Vidal said bilateral relations between both states is strong with the relationship between Arizona Governor Doug Ducey and Sonora, Mexico Governor Claudia Pavlovich exceeding expectations. He also noted the strength among the Sister Cities relationships.

Secretary Vidal said the megaregion gives both states the ability to position themselves to support investment development and attraction, and also leverage shared resources to offer a competitive platform in strategic sectors such as aerospace, automotive, mining and electric and electronics fields. He stated that together, the megaregion can offer strategic access to the largest economies in the world, skilled labor, infrastructure quality and tourism and most of all, quality of life.

Secretary Vidal said at the first meeting of the Sonora-Arizona Commission in June, the Governors of Sonora and Arizona signed a Memorandum of Understanding (MOU) that committed to share information in the strategic sectors of aerospace, automotive and mining. He added that just a few months later, the Commission took its first action, which included the marketing and joint promotion of the supply chain assessment initiative.

Secretary Vidal said maintaining a strong partnership between the State of Sonora and local governments in Arizona is key to advancing binational efforts. He stated during the first meeting of the Sister Cities, the teams worked to identify opportunities and better working practices in the areas of the economy, tourism, public administration, security, civil protection and community services. Secretary Vidal said the Sister Cities established agreements to share a calendar of events to promote the megaregion and avoid a duplication of efforts, to work on a project to interconnect the Mesa cargo airport with the Port of Guaymas, and to promote

health tourism and boost investment. Secretary Vidal provided the Committee with an overview of Sonora's action plan. He said trade missions to Arizona were conducted in May and another is planned for November that will focus on SME, industry, mining and aerospace.

Secretary Vidal said that Governor Pavlovich wants to step up security in the state to attract investors, and recently announced an investment in a comprehensive security system, called C5i, to attend to emergencies and assist with crime prevention. He noted that the system will bring the number of cameras from 200 to approximately 3,000. Secretary Vidal stated that security coverage will expand from 11 cities to 39 cities. He said the project will be completed in the next year and a half.

Secretary Vidal commented that in the last six months, the state has seen nine new investment projects representing more than \$220 million and nearly 3,000 new jobs. He said this year has seen an investment of approximately \$400 million dollars in the mining industry. A video on the Arizona-Sonora Megaregion, produced by the Arizona Commerce Authority and the State of Sonora was shown. Chair Lane thanked Secretary Vidal for his presentation.

8. Update from the Arizona Commerce Authority (ACA)

This agenda item was not heard. An update will be provided at our next committee meeting.

9. Update from the Greater Phoenix Economic Council (GPEC)

Steve Betts said it was a great year for relocations and in recognition of that, GPEC will host a cocktail reception October 6, 2016, from 5:30 to 8:30 p.m. at Vintage 45 in the downtown Phoenix Warehouse District. He stated GPEC invited executives from new companies that have relocated or expanded in the Valley. Mr. Betts noted the reception will be a good opportunity to connect with the firms that are involved in GPEC at a senior level, as well as with local officials and civil leaders.

Mr. Betts also noted that Rogers Corporation, a leader in engineered materials solutions, relocated its global headquarters to Chandler, Arizona, expanding the footprint it already had in the Valley with an existing office. He stated GPEC worked in cooperation with the ACA, City of Chandler and others to make that happen. Mr. Betts said GPEC is continuing to work with the Brookings Institution on a comprehensive global direct investment strategy and focusing on foreign direct investment (FDI).

Mayor Kavanagh said she was curious about GPEC's involvement with the megaregion initiative. She asked if MAG and GPEC were on the same page with where the effort is going. Mr. Betts said GPEC is very supportive of MAG's Ari-Son Megaregion effort. He said MAG has taken more of a lead on the effort along with the ACA, Governor's Office and Arizona Mexico Commission.

Mayor Kavanagh said she knows GPEC does a lot with Mexico and it seems that the organizations are all going in the same direction. She stated that if we are all stakeholders and

partners in this effort, we have a better chance at success. Mr. Betts said GPEC President and CEO Chris Camacho and Mr. Smith speak often to make sure the two organizations stay on the same page.

Mr. Smith said one of the areas that MAG collaborates with GPEC is in foreign direct investment. He stated MAG staff worked out an arrangement with GPEC to provide some basic research support for its Brookings Project. Mr. Smith noted that GPEC is also involved in MAG's planning process for the event it will host on November 9-10, 2016, called Globality 2016. He said MAG is bringing together all of its regional partners to create a signature event for the Valley.

Mayor Kavanagh said she thinks it would have been nice to see GPEC listed as a partner in the megaregion initiatives to show the Sonoran Region that they have the organization's support. Mr. Smith said MAG can work on bringing GPEC into the process. Mr. Betts said GPEC would be willing to be involved and would do what the cities direct them to do.

Chair Lane said Mayor Kavanagh had an excellent point. He noted there has been some concern voiced with regard to whether or not these organizations are duplicating efforts with presentations or who the lead is on certain projects. Chair Lane stated these concerns have been raised before. He said going back to the presentation by the team from Dayton, Ohio and their perspective of what program they thought would work for our region, they appeared to have some duplication between cities and counties and it was not as coordinated as the effort we currently have with GPEC. Chair Lane added that another thing that has come to our attention is that for years, GPEC has incorporated the private sector on its boards and has coordinated with the ACA in a comprehensive way.

Chair Lane said with regard to FDI, he knows GPEC is very much involved, especially with the export side of things. He stated that unless MAG is just going to center on Mexico and GPEC move away from it, there does seem to be some duplication of efforts. Chair Lane said to Mayor Kavanagh's point, he does not think there was any participation in this process by GPEC. He noted he shares Mayor Kavanagh's concern and does not want to double efforts unnecessarily.

Chair Lane said he has come to an understanding that MAG is one of the foremost organizations on database development and information. He stated that when the EDC was originally established, it was focused on transportation as a component of economic development. Chair Lane said we need to discuss how to maintain coordination with GPEC.

Councilmember Mike Farrar said there was a lot of talk about MAG providing information to GPEC's FDI study with Brookings. He stated he would like to see an update on how that study is progressing. Mr. Smith suggested that an update on the FDI study be placed on the next EDC agenda. Chair Lane agreed that should be done.

Mr. Betts stated that his role at the EDC table is to be the bridge between the GPEC executive committee and the EDC.

10. Request for Future Agenda Items

Chair Lane asked if there were any requests for future agenda items. Mr. Smith suggested MAG Transportation staff present an early version of a freight viewer, still in development, to get input from EDC members. Mr. Smith said MAG is building a tool that cities can use when they are attracting companies to the Valley. He stated MAG is working with GPEC to determine what information they would like to see the viewer incorporate. He noted it is a good example of the partnership with GPEC and the transportation mission at MAG.

11. Comments from the Committee

Chair Lane asked if there were any comments from the committee. Councilmember David Luna informed the committee that the Arizona Hispanic Chamber of Commerce is holding its annual DATOS, *The State of Arizona's Hispanic Market*, event later this month. He wanted to know if the committee could get a report on that event at the next EDC meeting.

Councilmember Lorenzo Sierra, who sits on the DATOS board in addition to the EDC, said the event will be held the morning of September 27th at the Arizona Biltmore. Councilmember Sierra encouraged committee members to attend the event, saying it is the largest aggregation of research into the Hispanic consumer and the demographic trends that go along with that. He said he would have someone from the DATOS committee available to make a presentation at the October EDC meeting.

Jim Kenny said he had another request relating back to transportation. He stated that Senator Worsley passed a bill in the last session on a transportation funding task force that will meet next week. Mr. Kenny thought it would be good to get a report back on the progress the committee has made towards its reporting at the end of the year, and see if there is a way for the EDC to support the task force with data research. Chair Lane said that may be something for the MAG Regional Council to look into as it may just be indirectly related to economic development. Mr. Smith suggested this could be a good item for the MAG Transportation Policy Committee to look into.

Sintra Hoffman said MAG transportation committees are briefed in these issues, but it may be good to share the information with the EDC, where there are business leaders that would also like to hear the update. Chair Lane agreed the private sector participation on the EDC is somewhat unique and suggested we have that item on our next agenda. Mr. Smith explained that the legislation specifically excluded MAG from sitting on the task force. He added that EDC Committee member Jim Rounds is on this task force, and MAG staff will attend those meetings. Chair Lane suggested we task Mr. Rounds with giving an update on the task force progress to the committee.

Adjournment

There being no further business, the Economic Development Committee meeting was

adjourned at 12:41 p.m. The next meeting of the EDC will be on Tuesday, October 4, 2016, at 11:30 a.m. at the MAG Office, 302 N. First Avenue, Phoenix, Second Floor, Saguaro Room.

Chair

Secretary